

D/L 1-49

U. S. DEPARTMENT OF LABOR

ROUTE SLIP

(Fold here)

To:

1 Office of Legislative Counsel

2 Central Intelligence Agency

3 Zip Code - 20505

<input type="checkbox"/> APPROVAL	<input type="checkbox"/> COMMENT	<input checked="" type="checkbox"/> YOUR INFORMATION
<input type="checkbox"/> NECESSARY ACTION	<input type="checkbox"/> SIGNATURE	<input type="checkbox"/> NOTE AND RETURN
<input type="checkbox"/> CONTACT ME	<input type="checkbox"/> AS REQUESTED	<input type="checkbox"/> PREPARE REPLY

From: (NAME) (ORGANIZATION) (DATE)
Edith Cook, Asso. Solicitor
(BUILDING) (ROOM) (PHONE)

Main Labor 4410 2438

REMARKS:

GPO : 1964-O-730-020

With the exception of the counter-proposals on the issue of maximum benefit limitation, this now reflects Dept. of Labor's correspondence with Budget of our Federal Employees Compensation Bill.

July 28, 1965

MEMORANDUM FOR MRS. PETERSON, Assistant Secretary for Labor Standards

Subject: FECA Amendments

(Director, Bureau of Employees' Compensation) STAT
(Associate Solicitor)

On Tuesday, July 27, Tom Tinsley and I conferred with Edith Cook and agreed to the following approach on the proposed amendments to the Federal Employees' Compensation Act:

- I. Maximum Limitation on Benefits -- You will recall that originally we proposed the omission of any maximum to permit compensation rates of up to 75% of claimant's salary. The BOB proposed instead maximum benefits from \$6,300 to \$8,200 a year, or from \$525 to \$683.33 a month, based on an increase in the CPI of 30%.

(Note: The worst aspect of BOB's proposal is the tie-in with CPI. This formulation can haunt us in any future amendments of the Act. If we must accept a specific dollar figure as a maximum limit, it would be best if the figure were arbitrary.)

Our Counter Proposal

- A. We will seek a compromise with BOB to provide a maximum limitation of awards graduated on a basis of salary as follows:

1. 3/4 of full salary through GS-12 = \$7,688
2. 2/3 of full salary for GS-13 = \$ 8,904
GS-14 = \$10,301
GS-15 = \$11,828
3. 2/3 of the base salary of GS-15, plus 25% of the difference between the base GS-15 salary and that paid to grades GS-16 through GS-18:
GS-16 = \$12,446
GS-17 = \$13,074
GS-18 = \$13,833

Mrs. Peterson

Page 2

(Note: This alternative would help AID, FAA and CIA. This would also appear to accord with the comments on our proposal made by CEA to BOB.

~~_____~~
~~_____~~
~~_____~~

- B. If Budget does not accept proposal A above, then we fall back on a fixed dollar maximum which we propose should be \$750 a month and \$9,000 a year. (Tom tells me that this would take care of 90% of our cases, but it would not take care of the high-salaried employees with whom AID, FAA and CIA are concerned.)

The difference in cost between the BOB proposal and our two alternatives is small. The BOB proposal is estimated to cost about \$1 million a year; our \$750 alternative would cost about \$250,000 more, and our graduated salary proposal would cost about \$1,000,000 more than the BOB proposal.

- II. Increase in Previous Awards -- As you will recall, ^(a) our original proposal was to increase prior awards on the basis of Federal salary increases. This would mean an increase of 80% from the '49 level. ^(b) BOB proposes a 30% increase based on the CPI. We agreed to accept BOB's proposal as an interim measure.

We are abandoning a proposal to give the Secretary authority to make increases in previous and future awards based on changes in the CPI. We are making this concession also on the assumption that this is temporary legislation.

- III. For Children from Age 18 to 23 -- BOB concurs with our proposal to extend benefits to survivors' children to age 23 for education. BO suggested, however, that the terms "education" and "educational institutions" be defined, as suggested by H.R. 6675, along the lines of H.R. 6675. We believe that the definitions should be left to regulation, which probably would accept those in H.R. 6675, but will retain flexibility.

- IV. Other -- There are no disputes with respect to the following proposals:

- A. To increase minimum benefits from \$180 to \$210 per month.

STAT

Mrs. Peterson

Page 3

- B. To increase attendant's allowances
- C. The scheduling of compensation awards and medical services for retirees under various other retirement systems.
- D. The rule-making authority of the Secretary.
- E. The elimination of the provision in section 6(a)(1) of the Act which limits the payment of additional compensation for dependents to 75% of the first \$420 of an employee's basic pay; 66-2/3% of balance.

Joe Goldberg

(Acting Deputy Assistant Secretary)

STAT

Approved For Release 2005/07/13 : CIA-RDP67B00446R000600010015-9

Approved For Release 2005/07/13 : CIA-RDP67B00446R000600010015-9